

## **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.



a HD 1761  
A2F3  
Reserve

# World Production and Trade

United States  
Department of  
Agriculture

Foreign  
Agricultural  
Service

Washington, D.C. 20250

Weekly  
Roundup

WR 43-88

Oct. 26, 1988

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

## U.S. EXPORT SALES

U.S. Export Sales of Corn and Grain Sorghum for 1988/89 Ahead of Previous Year. Data from the FAS Export Sales Report show U.S. corn and grain sorghum export sales for the current marketing year running 50 percent above the year earlier. Sales of cotton, rice and soybeans, on the other hand, are one-third to one-half below the previous year. Wheat sales are down slightly through one-third of the marketing year.

The following table compares accumulated exports and outstanding sales for similar periods in the 1987/88 and the 1988/89 marketing years as reported under the FAS Export Sales Reporting Program. Data for 1987/88 are as of Oct. 8, 1987, while data for 1988/89 are as of Oct. 6, 1988. Accumulated exports are commodities which have been sold and exported. Outstanding sales are commodities which have been sold but not yet exported. Data are measured in thousand units (metric tons/bales).

Commodity	Year beginning	Accumulated exports		Outstanding sales	
		87/88	88/89	87/88	88/89
Wheat	June 1	14,514	13,350	4,609	4,378
Rice	Aug. 1	475	182	448	439
Cotton	Aug. 1	706	456	3,761	2,329
Corn	Sept. 1	4,104	4,387	6,073	11,265
Grain sorghum	Sept. 1	612	761	660	1,039
Soybeans	Sept. 1	2,163	733	5,790	3,155

## OILSEEDS AND PRODUCTS

PERU'S Economic Crisis May Lead to Vegetable Oil Imports From Argentina. Peru is facing an extreme financial crisis and has almost no foreign exchange. Credit, rather than price, has become the overwhelming factor determining the source of agricultural imports. Over the next two months, Peru may use up to \$19.5 million of Argentine government credit for purchases of soybean oil and corn. This amount represents the balance of \$100 million of credit made available under a bilateral financing agreement for grains and oilseeds, signed between Peru and Argentina in December 1987. Thus far in 1988, \$12 million worth of soybean oil has been imported under this agreement. The terms of the agreement are for three years at an interest rate of 1 percent below Argentina's prime rate.

-more-

JENNIFER SMITH, Editor. Tel. (202) 382-0041. Additional copies are available from the FAS Media and Public Affairs Branch, 5922-South, USDA, Washington, D.C. 20250-1000. Tel (202) 447-7937.

EXCHANGE Rec'd  
NOV 14 1988

Until recently, Argentina's grain board rarely made offers on Peru's state buying agency's tenders. During 1987, it was generally believed that Argentina did not provide this credit due to the poor economic situation in both countries and more attractive markets for agricultural commodities in other areas of the world. In addition to credit from Argentina for agricultural imports, Peru is using PL-480 credit from the United States for rice imports and is expected to use short-term 120-day credit available under the ALADI (Latin America's trade association) inter-governmental financing agreement. Peru also may get some credit from governments in Europe.

#### DAIRY, LIVESTOCK AND POULTRY

AUSTRALIAN Milk Production To Increase in 1988/89. Australian 1987/88 (July/June) milk output totaled 6.3 million tons, down 1 percent from 1986/87, according to the U.S. agricultural counselor in Canberra. The milk cow population, at 1.67 million cows, was down 2 percent. For 1988/89, milk cow numbers are forecast down another 1 percent, but improved prices and favorable pasture conditions at the start of the season should facilitate a 2-percent milk production increase. With reduced milk production in 1987/88, cheese production was near the year-earlier level, while butter production was down 10 percent and non-fat dry milk (NDM) production was down 5 percent. Forecasts for 1988/89 show cheese production at 180,000 tons, up 2 percent, butter production at 94,000 tons and NDM production at 119,000 tons, both essentially unchanged for 1987/88.

\*\*\*\*\*

ERRATA. The World red meat production article published October 13 (WR 41-88) should be corrected to incorporate the latest U.S. numbers. Data are as follows in millions of tons:

- \* Red meat production for 1988: beef and veal, 44.54; pork, 59.54; total red meat, 109.84.
- \* Beef and veal production for 1988: United States, 10.80; world, 44.54.
- \* Beef and veal production for 1989: United States, 10.08; world, 44.07.
- \* Pork production for 1988: United States, 7.10; world, 59.54.
- \* Pork production for 1989: United States, 7.16; world, 60.06.

#### FRUITS

ISRAEL Citrus Production Projected To Increase. Israel's 1988/89 citrus crop is now estimated by the U.S. embassy in Tel Aviv at 1.137 million tons, up 2 percent from last year. This is less than expected, due to a heat wave which hit Israel in May, when trees were in the fruit-setting stage. The Israeli Citrus Board initially projected the 1988/89 crop at 1.45 million tons. Production in Gaza is estimated at 147,000 tons, down about 20,000 tons from last year. Production in 1987/88 totaled 1.11 million tons, 23 percent below the 1986/87 crop because of bad weather--a heat wave during flowering and hail storms last winter--and labor problems during harvest.

\*\*\*\*\*

-more-

ITALIAN Output of Processing Tomatoes Down in 1988. Italian output of processing tomatoes in 1988 is estimated at 2.9 million tons in 1988, down from 3.1 million tons in 1987, according to the U.S. agricultural counselor in Rome. Last year's estimated output includes 40,000 tons that were removed from the market to help support prices. Adverse summer weather and outbreaks of a viral disease hurt 1988 yields and resulted in lower quality, further reducing the potential output of processed products. Italy is the largest producer of processing tomatoes outside the United States.

#### SUGAR

WORLD Sugar Production Estimate Postponed. The world sugar production estimate, scheduled to be released in today's issue of World Production and Trade, will be published in the November 16 issue. USDA previously revised world sugar production on September 21 (WR 38-88).

#### WEEKLY EXCHANGE RATE DEVELOPMENTS

The dollar ended the week of October 17 down against all major currencies.

Currencies	Current -----Percent change from-----			
	rate 10/13/88	week ago 10/06/88	month ago 09/15/88	year ago 10/87
Argentine austral	14.9700	-0.40	5.42	390.18
Australian dollar	1.2202	-1.52	-4.43	-12.86
Brazilian cruzado	412.8100	4.06	25.06	675.39
Canadian dollar	1.2012	-0.56	-1.42	-8.23
South African rand	2.4420	0.02	-1.58	19.10
Thai baht	25.2500	-0.24	-1.06	-2.09
ECU	0.8721	-0.11	-3.67	0.20
British pound	0.5670	-0.73	-5.37	-5.78
French franc	6.1550	-1.61	-3.75	2.32
West German mark	1.8007	-0.85	-3.99	-0.08
Japanese yen	127.0600	-0.49	-5.64	-11.37
South Korean won	710.0000	-0.46	-1.00	-11.86
New Taiwan dollar	28.9000	-0.07	-0.10	-3.47

Exchange rates are spot as of 3 p.m. Eastern Time, October 20.

-more-

## UNITED STATES DEPARTMENT OF AGRICULTURE

Foreign Agricultural Service  
Room 5918-S  
WASHINGTON, D.C. 20250-1000

FIRST-CLASS MAIL  
POSTAGE & FEES PAID  
USDA-FAS  
WASHINGTON, D.C.  
PERMIT No. G-262

OFFICIAL BUSINESS  
PENALTY FOR PRIVATE USE, \$300

If your address should be changed \_\_\_\_\_ PRINT OR  
TYPE the new address, including ZIP CODE and return  
the whole sheet and/or envelope to:

FOREIGN AGRICULTURAL SERVICE, Room 5918 So.  
U.S. Department of Agriculture  
Washington, D.C. 20250.

wk002 10002/20705UNES 1 0001  
USDA NAL  
EXCHANGE SECTION  
10301 BALTIMORE AVE #112  
BELTSVILLE MD 20705-2326

## Selected International Prices

Item	: October 25, 1988		: Change from : A year	
	:		:	ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT	\$ per MT
Wheat:				
Canadian No. 1 CWR-13.5% 10/	215.00	5.85	-5.00	146.00
U.S. No. 2 DNS/NS: 14% 11/	186.00	5.08	-2.50	139.50
U.S. No. 2 S.R.W. .... 12/	185.25	5.04	-3.75	136.50
No. 3 H.A.D. .... 13/	193.00	5.25	-17.00	155.50
Canadian No. 1 A: Durum 11/	212.50	5.78	0.50	164.50
Feed grains:				
U.S. No. 3 Yellow Corn. 10/	141.00	3.58	-0-	NA
Soybeans and Meal:				
U.S. No. 2 Yellow.....	NQ	--	--	219.00
Brazil 47/48% Soya Pellets	NQ	--	--	245.00
U.S. 44% Soybean Meal.. 12/	299.00	--	-0-	219.00
U.S. FARM PRICES 3/				
Wheat .....	140.35	3.82	-2.20	95.89
Barley.....	104.72	2.66	+11.48	63.78
Corn.....	95.99	2.09	-13.06	57.41
Sorghum.....	91.49	4.15	-4.41	56.44
Broilers.....	1,204.81	--	-51.37	949.74
EC IMPORT LEVIES				
Wheat 5/.....	146.94	4.00	+5.81	214.33
Barley.....	135.37	2.95	+1.75	210.58
Corn.....	140.92	3.58	+7.78	191.83
Sorghum.....	154.51	3.92	+5.05	198.01
Broilers 4/ 6/ 8/.....	503.00	--	+11.00	512.00
EC INTERVENTION PRICES 7/ 9/				
Common wheat(feed quality)	197.34	5.37	+2.01	187.56
Bread wheat (min. quality)	207.72	5.65	+2.12	197.43
Maize.....	207.72	5.28	+2.12	197.43
Barley and all other feed grains, excluding maize.	197.34	--	+2.01	187.56
Broilers 4/ 6/.....	1,529.00	--	+89.00	1,557.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat .....	NQ	--	--	NQ
Barley.....	77.50	1.69	1.88	145.14
Broilers 4/ 6/ 8/.....	630.00	--	+16.00	425.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ November/December delivery. 11/ October/November delivery. 12/ November delivery. 13/ April/May delivery. N.A.=None authorized. N.Q.=Not quoted.